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Areas of convergence related to areas of cooperation on the issue of the impact of the implementation of response measures

Technical paper

Summary

This technical paper covers areas of convergence related to areas of cooperation identified by Parties, experts, practitioners and relevant organizations on the impact of the implementation of response measures and is based on the reports on the work of the forum on the impact of the implementation of response measures, relevant submissions, presentations and statements made and the review of the work of the forum. The Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation may wish to consider the information contained herein for the purpose of taking forward the work on the impact of the implementation of response measures.

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I. Background

A. Mandate

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) invited Parties, experts, practitioners and relevant organizations to submit to the secretariat, by 22 September 2014, their views on options to strengthen opportunities for cooperation and collaboration among Parties related to the forum and work programme on the impact of the implementation of response measures. They requested the secretariat to prepare a technical paper on areas of convergence related to areas of cooperation, as well as a synthesis paper,[1] both based on the reports on the work of the forum,[2] the submissions, presentations and statements made and the review of the work of forum, for consideration at SBSTA 41 and SBI 41, without prejudice to the consideration by the Conference of the Parties (COP) referred to in paragraph 2 below.[3]

2. The SBSTA and the SBI took note of the submissions made by Parties of proposals regarding a draft decision to take the work forward[4] and agreed to forward them for consideration at SBSTA 41 and SBI 41, with a view to providing recommendations for consideration at COP 20.[5]

B. Scope of the paper

3. This technical paper is based on the reports on the work of the forum referred to in paragraph 1 above, the submissions, presentations and statements made during the work of the forum and the review of the work of the forum, especially the nine submissions received containing views on options to strengthen opportunities for cooperation and collaboration. Six submissions were received from Parties or groups of Parties[6] and three from observer organizations.[7][8]

4. In addition, the paper draws upon relevant information contained in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (AR5).

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[1] FCCC/SB/2014/INF.4.

[2] FCCC/SB/2013/INF.2, FCCC/SB/2013/INF.3, FCCC/SB/2013/INF.4, FCCC/SB/2013/INF.8, FCCC/SB/2013/INF.9, FCCC/SB/2013/INF.10 and FCCC/SB/2013/INF.11.

[3] FCCC/SBI/2014/8, paragraph 180, and FCCC/SBSTA/2014/2, paragraph 101.

[4] The submissions are contained in annex II to document FCCC/SB/2014/L.2.

[5] FCCC/SBI/2014/8, paragraph 181, and FCCC/SBSTA/2014/2, paragraph 102.

[6] Submissions from Parties and groups of Parties are available at <http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=SBI>.

[7] Submissions from observer organizations are available at <http://unfccc.int/documentation/submissions_from_observers/items/7481.php>.

[8] The submissions were received between 1 September 2014 and 28 October 2014.

II. Views on options to strengthen opportunities for cooperation and collaboration among Parties

5. In their submissions, Parties and observer organizations presented their views on areas and options to strengthen opportunities for cooperation and collaboration among Parties. The table below contains a summary of options for areas of convergence related to areas of cooperation. The annex contains abstracts of the submissions, with information on the source of the submissions, the associated preferred options and the suggested processes of cooperation.

III. Areas of convergence on cooperation

6. In their submissions, Parties and observer organizations highlighted the need to strengthen substantive areas of cooperation and collaboration among Parties on the issue of the impact of the implementation of response measures. The following three identified areas for cooperation and collaboration could be drawn from all submissions:

(a) Assessment and analysis of the impact of response measures;

(b) Economic diversification and transformation;

(c) Just transition of the workforce, and the creation of decent work and quality jobs.

A. Assessment and analysis of the impact of response measures

7. Parties and observer organizations identified the need to improve understanding of the impact of the implementation of response measures in many areas, such as food security, water availability, energy access, health, gender, livelihoods, employment and the sustainability of economy growth. The assessment of the impact of response measures needs to take place both ex ante and ex post and cover both positive and negative impacts, which need to be reported in Parties' national reports.

8. As information on the impact of response measures is essential for assessing and analysing that impact, several Parties emphasized the need to improve the reporting of that information. Some Parties noted that there are existing reporting requirements for Parties included in Annex I to the Convention (Annex I Parties) under the Kyoto Protocol to include information on Article 3, paragraph 14, of the Kyoto Protocol in their annual inventory reports, which the secretariat compiles and publishes annually on the UNFCCC website.[9] Annex I Parties are also required to include information on the minimization of adverse effects of response measures in their national communications. The compilation and synthesis reports containing that information are also available on the UNFCCC website.[10]

9. During the in-forum workshop on the assessment and analysis of impacts of response strategies[11] the representative of the European Union (EU) informed the workshop participants that within the EU, at both the European and national levels, thorough impact

[9] <http://unfccc.int/national_reports/annex_i_ghg_inventories/items/6559.php#3594?rec=j&priref=600005964#beg>.

[10] <http://unfccc.int/national_reports/annex_i_natcom/compilation_and_synthesis_reports/items/2736.php>.

[11] Information on the workshop can be found at <http://unfccc.int/cooperation_support/response_measures/items/7586.php>.

assessments are undertaken before policies are implemented and stringent follow-up monitoring is put in place during implementation.

10. However, in the AR5 it is noted that:

> "There is a wide range of possible adverse side effects as well as co-benefits and spillovers from climate policy that have not been well quantified (high confidence). Whether or not side effects materialize, and to what extent side effects materialize, will be case and site specific, as they will depend on local circumstances and the scale, scope and pace of implementation. Important examples include biodiversity conservation, water availability, food security, income distribution, efficiency of the taxation system, labour supply and employment, urban sprawl and the sustainability of the growth of developing countries".

Summary of areas, identified from the submissions, in which opportunities for cooperation and collaboration among Parties on the impact of the implementation of response measures should be strengthened

Source of the submission	*Assessment and analysis of impacts*	*Economic diversification*	*Economic modelling*	*Capacity-building/funding/ technology transfer*	*Gender*	*Health*	*Just transition of the workforce*	*Reporting*	*Trade/unilateral measures*	*Proposed processes*
African States	√	√	√	√	–	–	√	√	√	Forum and mechanism
Algeria	√	√	√	√	–	–	√	–	√	Mechanism
Arab Group	√	√	√	√	–	–	–	√	–	Mechanism
Group of 77 and China	√	√	√	√	–	–	√	√	√	Forum and mechanism
European Union	√	√	–	–	√	√	√	–	–	Forum
United States of America	√	√	–	–	√	√	√	–	–	Colloquium
ICTSD	√	–	–	–	–	–	–	√	√	Forum/ dialogue process
South Centre	√	√	√	√	√	√	√	√	√	Mechanism
Michael Succow Foundation	–	–	–	–	–	–	–	–	–	–

Abbreviation: ICTSD = International Centre for Trade and Sustainable Development.

11. One observer organization pointed out that it is more effective to undertake ex ante impact assessments and to notify countries that may be affected. It is often too late to undertake assessments after measures have been implemented in the case of negative impacts, which can be devastating and not easily recovered from in vulnerable sectors in developing countries. In the context of ex ante impact assessments and notifications, developing countries can adapt their specific circumstances or mitigate the negative effects and monitor the outcome.

12. Developing country Parties noted a need for guidance based on a comprehensive and structured assessment framework, for which they should be provided with resources and technical assistance in order to undertake national assessments of the impact of response measures. This is particularly necessary if a measure or set of measures is being coordinated by a group of developed country Parties.

13. With regard to how cooperation can be pursued through the identification of programmes and initiatives to enhance the research, assessment and analysis of the impacts of response measures, the following options were proposed:

(a) Ex ante and ex post assessment and analysis at the national level by Parties;

(b) Analysis of impacts of climate change mitigation policies at the multilateral level;

(c) Identification of what cooperation is needed to strengthen the knowledge base and capacity in developing countries to conduct assessment of adverse spillover effects;

(d) Exploring the possibility of cooperation among modelling teams to collaborate on developing economic modelling methodologies and setting socioeconomic scenarios;

(e) Continuous engagement in bilateral and multilateral dialogue on findings drawn from assessments and modelling;

(f) Provision of support for technology development and transfer, finance and capacity-building to assist developing countries in addressing actions related to negative impacts of the implementation of response measures.

B. Economic diversification and transformation

14. One observer organization noted that many developing countries have middle to low incomes, low productivity and surplus labour. Large masses of people in such countries live in poverty and lack access to essential modern energy, water and sanitation services. This applies to many African countries, least developed countries and small island developing States, which are often:

(a) Geographically distant from their main export markets;

(b) Highly dependent on the export of food, while others are net food-importing countries;

(c) Highly dependent on exporting commodities;

(d) Highly dependent on a single commodity;

(e) Suffering from unsustainable land use and land-use change patterns;

(f) Deficient in relevant data and information for assessing, measuring and forecasting economic fluctuations.

15. In addition, many developing countries have export sectors that are likely to be adversely affected by response measures implemented by developed countries with regard to:

(a) Conventional fuels (oil, gas and coal);

(b) Renewable energy technologies;

(c) Consumer goods subject to eco-labelling and standards;

(d) Energy-intensive trade-exposed goods (such as aluminium, iron and steel, cement, chemicals, and pulp and paper);

(e) Air-freighted goods;

(f) Tourism;

(g) Marine-transported goods.

16. To minimize such adverse impacts, developing countries need to diversify their economies. As such, a clear area of focus for cooperation among Parties should be on how those vulnerable countries might be sheltered from the impacts of response measures through economic diversification.

17. Economic diversification was defined, at the workshop organized by the secretariat on the needs and options of Parties not included in Annex I to the Convention for economic diversification and on support programmes conducted by Parties included in Annex II to the Convention to address those needs,[12] as a process in which a growing range of economic output is produced, and as the diversification of markets for exports or the diversification of income sources away from traditional domestic economic activities.

18. The role of international cooperation in the context of economic diversification was seen as fivefold:

(a) Seeking best practices and experiences of countries that have successfully diversified their economies;

(b) Identification of non-domestic barriers to economic diversification;

(c) Identification of ways in which the international community could facilitate increased foreign investment in non-traditional sectors;

(d) Facilitating assistance, in the form of technology transfer, technical assistance and financial support, for the difficult task of diversification;

(e) Technical collaboration on modelling, studies and methodologies to assist developing countries in their economic diversification.

19. Parties and observer organizations agreed that economic diversification would need to be specifically tailored to the unique national circumstances in each different context since the solutions to the challenge of economic diversification differ greatly. Some noted that any successful economic diversification would go beyond insulating economies from the impacts of response measures and include lowering vulnerability to the impacts of climate change. It was noted that economic diversification would achieve a number of other nationally enunciated objectives and the broader process of sustainable development.

20. Some Parties suggested that among the first tasks should be the identification of the specific sectors and countries that are most at risk.

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[12] The report on the workshop, which took place in Tehran, Iran. on 18 and 19 October 2003, is contained in document FCCC/SBI/2003/18.

21. Other Parties suggested that a number of intergovernmental organizations, primary among them the various development banks, exist which have in-depth expertise in helping countries to achieve economic diversification. Therefore, it was agreed that any effective efforts under the Convention would need to be cognizant of the work of other organizations and endeavour to collaborate with them.

22. Some Parties emphasized that economic diversification and socioeconomic trends, including developments in relation to finite and renewable resources, population trends and technological innovation, offer challenges and opportunities for all countries.

C. Just transition of the workforce and the creation of decent work and quality jobs

23. All Parties and observer organizations agreed that the change as a result of both climate change and the impacts of the implementation of the response measures needed to avoid climate change could have substantial implications for employment, with attendant adverse economic and social impacts. Those caught in the dynamic destruction and creation that accompanies such change, and the impacts that they feel, will differ depending on the unique circumstances of the country in question. But all countries will share the need to successfully manage the transition of the workforce to ensure that the workers do not unduly suffer in the process. Developing countries face the most significant challenges, owing to having relatively weaker institutions and growing youth populations looking for work.

24. Some Parties stressed the opportunities presented by transitioning to low greenhouse gas emitting economies. They stated that green jobs utilize higher-level skills in the workforce and can offer better remuneration. Investment in education and job training were noted as valuable supporting actions with co-benefits.

25. In addition, Parties agreed that national experiences could be valuable as best practice guides to how to manage the transition of the workforce, and therefore suggested the need for international cooperation in that area, as well as a number of relevant national-level measures. One observer organization suggested the following measures:

(a) Social dialogue among all concerned stakeholders;

(b) Skills development for green jobs and retraining;

(c) Green enterprise development;

(d) Active labour policies;

(e) Provision of social protection.

26. Furthermore, it was mentioned in one submission that it would be useful to share information on relevant progress made within other forums, including, but not limited to, the International Labour Organization.

Annex

Abstracts of the submissions from Parties and observer organizations on areas of convergence and options for cooperation in relation to the impact of the implementation of response measures

Source of the submission	*Identified areas/components of cooperation**	*Processes for cooperation**
African States	Facilitation of technical collaboration among Parties and experts on tools, including studies, modelling and methodologies, to assist developing country Parties in addressing negative economic and social consequences of response measures, in particular in relation to specific action for economic transformation and diversification in the context of nationally defined priorities, circumstances and needs; Partnership with research organizations to assist with assessment of developing countries' with needs rising from the impacts of the implementation of response measures, in particular food security, water availability, energy access, sustainable development, livelihoods, income distribution, employment; Collaboration on the development of mechanisms for a just transition of the workforce and the creation of decent work, in accordance with nationally defined priorities and through a consultation process involving the relevant stakeholders.	The African Group looks forward to continuing to engage constructively in order to adopt a decision at COP 20 for the continuation of the forum and the establishment of a Mechanism for Enhanced Action to address the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures, in accordance with the principles and provisions of the Convention.
Algeria	Exchanging views and sharing information, expertise, and best practices on the understanding of negative impacts of response measures on developing countries as well as the assessment and analysis of these impacts in order to identify possible actions; Exploring and identifying opportunities for economic diversification and transformation, including through engaging specific actions for economic transformation and diversification in the context of nationally defined priorities and needs of developing countries as well as in terms of analysing costs of clean technologies and adjustment policies for developing countries; Creating economic models to assess economic and social	The way forward: an international mechanism on response measures: From the perspective of Algeria, there is a clear need to move forward from a "talking show" mood to a more effective mode of work on this crucial issue, towards identifying and implementing more concrete actions, in order to… This can be achieved through the establishment of a Mechanism, under the Convention, dedicated to enhancing activities and recommending specific actions to address the negative impacts of response measures. This Mechanism shall be created and

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Source of the submission	*Identified areas/components of cooperation**	*Processes for cooperation**
	consequences of response measures in specific vital sectors for developing countries, including energy, agriculture, industry and trade, taking into consideration diverse national circumstances and characteristics of developing countries; Preparing the workforce and enhancing quality jobs in the perspective of the creation of new kinds of jobs, including through building the capacities of workers and facilitating their integration in the context of the transformation that might be provoked by actions related to mitigation of climate change.	launched at the Conference of Lima, in order to operationalize it in 2015… The Mechanism will address all relevant issues under the topic of response measures, report to the COPs, CMP (KP) as well as to the post 2020 climate regime, without prejudice to its nature. The Mechanism could also make recommendations and proposals for actions and activities to be considered by the Conference of the Parties. It could also coordinate its activities with the wide UN system on issues relevant to its mandate (trade, energy, food security, health) as well as civil society, academia and private sector.
Arab Group	Addressing the impacts: How to create engaging collaboration programs to relevant scientific bodies to assist in establishing a process for ex post and ex ante assessment of impacts; What are the potential opportunities for cooperation in the areas of capacity building and building resilience, and what are the best practices to organize capacity building activities for impacted developing countries such as education and training programs that are especially designed for youth; Addressing the impacts: How to create cooperation opportunities for economic diversification to alleviate the negative impacts of response measures in the context of nationally defined priorities, circumstances and needs.	…This mechanism will serve as a body that will facilitate implementation of enhanced action to address the negative social and economic consequences of response measures and to recommend specific actions, including in terms of support to developing countries… The Arab Group affirms the importance of a functional Mechanism for addressing the negative impacts of response measures in contributing to a balanced approach in the 2015…
Group of 77 and China	Facilitation of technical collaboration among Parties and experts on tools, including studies, modeling and methodologies, to assist developing country Parties in addressing negative economic and social consequences of response measures, in particular in relation to specific action for economic transformation and diversification in the context of nationally defined priorities, circumstances and needs; Partnership with organizations in the research and assessment of developing countries' concerns and needs rising from the impacts of the implementation of response measures, especially on the vital areas of food security, water availability, energy access, livelihoods,	… in terms of process, the Group is prepared to continue engaging in a transparent and open manner, between Parties, and with a broad participation of civil society, organizations and experts, for the continuation of the forum for sharing of experiences and information; as well as for the establishment of a Mechanism for Enhanced Action on Response Measures under the COP. This Mechanism will meet twice a year, in conjunction with the Subsidiary Bodies, and will facilitate implementation of specific action to address the negative social and economic

Source of the submission	*Identified areas/components of cooperation**	*Processes for cooperation**
	income distribution, employment, and the sustainability of the growth of developing countries, following the IPCC Fifth Assessment Report; Collaboration for the development of mechanisms for a just transition of the workforce and the creation of decent work, in accordance with nationally defined priorities and through a consultation process involving the relevant stakeholders; Cooperation on the assessment of response measures taken by developed country Parties, in order to strive to minimize the negative economic and social impacts on, inter alia, employment, income, economic growth rates, and living standards in developing countries.	consequences of response measures taken by developed country Parties on developing country Parties, including in terms of support to developing countries to avoid and minimize those consequences, and to deliver the functions as contained in the G77 and China last submission (FCCC/SB/2014/L.2).
European Union	The focus should be streamlined towards economic and social consequences of response measures, targeting such areas that are not addressed under the UNFCCC or elsewhere already, and where such exchanges benefit in particular developing countries; Sharing of information, best practices and expertise…, such as economic diversification… and Just transition of the workforce including creation of decent work and quality jobs, …; Improving further the understanding of the impact of the implementation of response measures, namely in the areas of food security, health and gender (as identified in the Fifth Assessment Report (AR5) of the IPCC, or identified by experts in their respective presentations in the in-forum workshops to date).	The EU looks forward to other Parties submissions and subsequent sharing of views and exchanges on the topic, with a view to improve the cooperation and collaboration on the impact of the implementation of response measures by exploiting fully the potential of the forum. The consolidation that was achieved with the establishment fo the forum at COP 17 in Durban was decisive in improving cooperation and collaboration under the Convention and we consider the "single space" approach as a fundamental element in a successful further strengthening of cooperation and collaboration among Parties, as well as observers, experts and civil society in the future.
United States of America	Economic diversification and transformation; Just transition of the workforce; Environmental and economic co-benefits.	To enhance our work going forward, the United States proposes a Response Measures Colloquium. …the Colloquium would (1) consider more deeply the areas of convergence already presented in the Forum, (2) provide a structured presentation of cse studies, best practises, and lessons learned, and (3) enhance cooperation and collaboration among Parties based on the experiences presented. We suggest the following structural elements for the

Source of the submission	*Identified areas/components of cooperation**	*Processes for cooperation**
		Colloquium…
International Centre for Trade and Sustainable Development	Assessment.	Structured dialogue process: The forum could provide a space…
South Centre	Plan for and undertake economic diversification…; Response measures impact assessments are systematic and applicable to all climate related policies and regulations… As much as possible, these impacts should be ex ante and precautionary impact assessments…	…the important stands of activities proposed above should be undertaking in the context of a mechanism or framework, under the UNFCCC architecture…
Michael Succow Foundation	Not mentioned.	Not mentioned.

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